

Message Text

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SUBJ: REQUEST FOR EXIM FINANCING FOR VARIOUS US- ROMANIAN
COMMERCIAL NEGOTIATIONS

1. DURING JUNE 12 CALL BY MR. WALTER C. SAUER, VICE CHAIRMAN AND FIRST VICE PRESIDENT OF EXIMBANK, ON MINISTER OF CHEMICAL INDUSTRY MIHAIL FLORESCU, LATTER MENTIONED NEGOTIATIONS, MOST OF THEM IN ADVANCED STAGES, BETWEEN GOR AND SEVERAL US FIRMS WHICH COULD BE FINALIZED IN NEAR FUTURE. FLORESCU INDICATED INTEREST IN OBTAINING EXIMBANK FINANCING FOR THESE PROJECTS AND ASKED FOR SAUER'S ASSISTANCE IN MAKING APPROPRIATE ARRANGEMENTS. SUMMARY OF THE VARIOUS PROJECTS IS AS FOLLOWS:

A. DE LAVALLE TURBINE CO: MINISTRY IS CURRENTLY COMPLETING NEGOTIATIONS WITH DE LAVALLE OF PRINCETON, NEW JERSEY FOR PURCHASE OF \$12 MILLION WORTH OF COMPRESSORS FOR USE IN ROMANIA FERTILIZER FACTORIES IN ARAD AND TURNU MAGURELE.

B. OLSZEWSKI ENGINEERING INC., NEW YORK: MINISTRY IS NEGOTIATING CONSTRUCTION OF FILM MANUFACTURING ENTERPRISE FOR PRODUCTION OF BLACK- AND- WHITE AND COLOR STILL AND CINEMA FILMS WITH OLSZEWSKI ENGINEERING, FIRM WHICH REPORTEDLY HAS LONG HISTORY OF COOPERATION WITH KODAK AND OTHER WELL- KNOWN FILM PRODUCERS. CONTRACT CALLS FOR PURCHASE OF \$7 MILLION OF EQUIPMENT AND TECHNOLOGY. FLORESCU SAID HE HOPED CONTRACT WOULD BE CLOSED IN NEXT TWO OR THREE MONTHS.

C. GOODYEAR INTERNATIONAL: MINISTRY IS NEGOTIATING JOINT VENTURE WITH GOODYEAR INTERNATIONAL FOR THE MANUFACTURE AND
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SALE OF TECHNICAL RUBBER PRODUCTS. MINISTRY GOALS CALL FOR PLANT WITH OUTPUT OF ABOUT 21,000 TONS PER YEAR. GOODYEAR IS TO SUBMIT FEASIBILITY STUDY AND FINAL OFFER WITHIN ONE MONTH. TOTAL VALUE OF MACHINERY AND TECHNOLOGY TO BE IMPORTED FROM U. S. IN FRAMEWORK OF JOINT VENTURE IS APPROX \$35 MILLION.

D. MINISTRY IS NEGOTIATING JOINT VENTURE WITH AGRICO CORPORATION FOR MANUFACTURE AND SALE OF AMMONIA AND UREA. PLANNED AMMONIA PRODUCTION OF 300,000 TONS ANNUALLY WOULD BE PURCHASED BY AGRICO FOR INDUSTRIAL USE IN PLANT IT OWNS IN TURKEY. PLANNED UREA PRODUCTION OF 320,000 TONS ANNUALLY WOULD BE SOLD ON WORLD MARKET. TOTAL COST OF MACHINERY AND TECHNOLOGY TO BE IMPORTED BY JOINT VENTURE FROM U. S. IS IN AREA \$50 MILLION.

2. DURING CONVERSATIONS WITH SAUER, FLORESCU ALSO MENTIONED GROUP PLANS TO CONSTRUCT LARGE SYNTHETIC RUBBER PLANT DURING PERIOD OF NEXT FIVE YEAR PLAN (1976-80). PLANNED OUTPUT FOR THIS PLANT IS IN AREA OF 250,000 TO 300,000 TONS PER YEAR, AND PRODUCTS WOULD BE EARMARKED FOR BOTH DOMESTIC USE AND FOR EXPORT. FLORESCU FORESEES COSTS IN MATERIALS AND TECHNOLOGY FOR THIS PROJECT AS BEING APPROX \$300 MILLION. MINISTRY HOPES TO MAKE FINAL DECISION BY END OF 1973 OR EARLY 1974 AS TO WHICH FIRM OR FIRMS WILL OBTAIN CONTRACTS FOR CONSTRUCTION OF PLANT. FLORESCU INDICATED THAT TALKS WITH PHILLIPS PETROLEUM ON PROJECT HAD ALREADY TAKEN PLACE, AND THAT IF PHILLIPS WAS INTERESTED IN TAKING ON RESPONSIBILITY FOR ALL TYPES OF SYNTHETIC RUBBER TO BE MANUFACTURED IN NEW PLANT, IT COULD WELL LAND ENTIRE CONTRACT. OTHERWISE, FLORESCU SAID, GROUP OF FIRMS WOULD BE SELECTED. MINISTRY DELEGATION IS PLANNING TO VISIT US LATER IN YEAR TO MEET WITH REPRESENTATIVES OF PHILLIPS AND OTHER INTERESTED US FIRMS.

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